From:

Rand Crafts

To:

mradulov@deg.state.ut.us

Date:

Thursday, October 25, 2001 3:12:45 PM

Subject:

IPSC Dense Pack AO Questions

Milka,

To resolve the questions on actuals to future actuals, I revisited the "source," i.e., the original rule, and it's preamble, found in the July 21, 1992 Federal Register, Volume 57, Number 140, beginning at page 32313, also known as the "WEPCO" rule (attached, found at <a href="http://www.epa.gov/ttncaaa1/t1/fr">http://www.epa.gov/ttncaaa1/t1/fr</a> notices/wepco.zip</a>). The language therein is very clear regarding the questions we had. That's probably why we don't see them addressed directly in guidance documents.

In the Preamble to the final WEPCO rule, under Section III.- Discussion of Final Action on Proposal, Subsection B.-Representative Actual Annual Emissions, Part 5.-The EPA Analysis, (found at 57 FR 32325 & 32326), the EPA first addresses the applicability of forcing permit limits because of a modification:

"The EPA does not, however, agree with comments that post-change emissions estimates must always be made into permanent federally-enforceable permit conditions. To do so would permanently restrict a utility's legally allowable emission limits to its pre-change actual emissions level unless it subsequently underwent NSR, and would fail to account for the very real possibility that emissions might increase over baseline levels in the future for reasons unrelated to the physical or operational change in question. As discussed more fully in the following section, NSR applies only where the emissions increase is caused by the change. Thus the issue should be viewed more as one of tracking and monitoring post-change utilization and/or emissions levels at the unit to confirm that baseline emission levels are not exceeded as a result of the change."

and then the EPA addresses under what conditions a 10-year post-change record review would be required vs. a 5-year:

"Appropriate records are to be submitted to the permitting agency on an annual basis for a period of 5 years from the date the unit begins operations (i.e., post-change operations after an initial shakedown period). A longer period, not to exceed 10 years, may be required by the permitting agency where it has determined that no period within the first 5 years following the change is representative of source operations."

and, finally the EPA explains why five years are enough, and nothing more is necessary. Note specifically the last sentence:

"The purpose of this provision is to provide a reasonable means of determining whether a significant increase in representative actual annual emissions resulting from a proposed change at an existing utility occurs within the 5 years following the change. Thus the intent is to confirm the utility's initial projections rather than annually revisiting the issue of NSR applicability. If, however, the reviewing authority determines that the source's emissions have in fact increased significantly over baseline levels as a result of the change, the source would become subject to NSR requirements at that time. The EPA has adopted this approach and the time period because it believes that, in most cases, any emissions increase resulting from a physical or operational change at a utility unit would occur within the first 5 years of normal operation of the unit after the change. Thus, EPA will presume that any increase in emissions levels more than 5 years after the change has occurred is not related to the physical or operational change."

Therefore, we do not even have to have a permit limit change at all, (as I also discussed in the last e-mail

to you), plus, there is no reason for a ten year record review to "prove-up" since we will be operating normally for the five years after the change, and finally, there is no further requirement to limit operations beyond the need for the five year review.

In regard to the Utah Public Utility Commission, please note that IPSC is not directly regulated by them since we are a wholesale provider.

As to the numbers I have provided, the last set are correct. Please use them.

If you need anything further, let me know. Please call when you have been able to read through and review this. Thanks

Rand Crafts Intermountain Power Service Corp rand-c@ipsc.com 435-864-6494 435-864-0994 Fax

CC:

Blaine Ipson